



SURFACE TRANSPORTATION BOARD Washington, DC 20423

Office, of Economics, Environmental Analysis and Administration

May 12,2008

Steve Spangle Field Supervisor U.S. Fish and Wildlife Service 2321 West Royal Palm Road, Suite 103 Phoenix, AZ 85021

RE: STB Finance Docket No. 34836, Arizona Eastern Railway—Construction and Operation—In Graham County, Arizona. Endangered Species Act Section 7 Consultation

USFWS File Number: 224iO-2008-F-0190

Dear Mr Spangle:

The Surface Transportation Board's (Board's) Section of Environmental Analysis (SEA) is writing in response to your letter addressed to SEA dated February 29, 2008, in which you recommend that SEA begin the formal consultation process in the Arizona Eastern Railway's (AZER's) proposed rail construction project which is located in Graham County, Arizona. Pursuant to Section 7 of the Endangered Species Act (16 U.S.C. 1531-1544), SEA is requesting formal consultation with your office.

SEA is conducting an environmental review in STB Finance Docket No. 34836, Arizona Eastern Railway (AZER) - Construction and Operation ~ In Graham County, Arizona, pursuant to the National Environmental Policy Act (NEPA). SEA issued an Environmental Assessment (EA) on February 25, 2008 for this proceeding, which was transmitted to USFWS on the same day.

SEA's submittal to USFWS on February 14, 2008, requested your concurrence on findings that the proposed project may affect, but is not likely to adversely affect either the southwestern willow flycatcher or razorback sucker. USFWS did not concur with SEA's determination, and encouraged SEA to reconsider our effect determinations for these species, Jason Douglas of your staff has been provided with additional information which should allow him to now proceed with preparation of a Biological Opinion. If we don't hear from you within 30 days, we wil! assume that you have sufficient information to initiate consultation and will provide us with your biological opinion within 135 days.

If you have any questions regarding this letter or require further information, please do not hesitate to contact me or Diana Wood, SEA Project Manager, at 202-245-0302 (woodd@stb dot.gov) or Mark Cochran of CH2M HILL at 520-293-5054 (mcochranfajcn2m.com).

Sincerely,

Victoria Rutson

Chief

Section of Environmental Analysis

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cc: Jason Douglas, USFWS
Robert Dummer, ACOE
John Cook, CirclePoint
Kim Otero, WestLand Resources
Mark Cochran, CH2M HILL